

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20553**

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AT&T Corp. Petition for Declaratory Ruling that)	
Ameritech Ohio's Dialing Parity Cost Recovery)	CC Docket No. 96-98
Mechanism Violates 47 C.F.R. § 51.215)	File No. NSD-00-6

**COMMENTS OF MEDIAONE GROUP, INC.
IN SUPPORT OF
PETITION FOR EXPEDITED DECLARATORY RULING**

MediaOne Group, Inc. ("MediaOne")¹ files these comments in response to the Common Carrier Bureau's request concerning AT&T Corp.'s ("AT&T") Petition for Declaratory Ruling that Ameritech Ohio's ("Ameritech") dialing parity cost recovery mechanism violates 47 C.F.R. § 51.215.² For the reasons set forth herein, MediaOne respectfully requests that the Commission grant AT&T's petition and rule that Ameritech's dialing parity tariff, as approved by the Public Utility Commission of Ohio ("PUCO"), is contrary to the Commission's rules and decisions governing dialing parity cost recovery.

In January 1999, the Public Utility Commission of Ohio ("PUCO") approved Ameritech's tariff implementing dialing parity and the cost recovery mechanism contained

¹ MediaOne is the parent company of one of the largest cable television multiple system operators ("MSOs") in the United States. MediaOne subsidiaries provide residential facilities-based competitive local telecommunications service and advanced data services in Atlanta, Georgia; Los Angeles, California; Pompano Beach and Jacksonville, Florida; several communities surrounding Boston, Massachusetts; Detroit, Michigan; Richmond, Virginia; Minneapolis and St. Paul, Minnesota, and Southern New Hampshire. MediaOne also offers high-speed Internet access to residential customers in Minneapolis and St. Paul, Minnesota; Naples, Florida; Concord, New Hampshire; Salem, Massachusetts; and Cleveland, Ohio. The company plans to reach additional communities for both services in the near future. MediaOne is a leader in bringing broadband communications -- including voice, video, and data services -- to all segments of the residential market.

² See Public Notice, Common Carrier Seeks Comments on AT&T Corporation's Petition for Declaratory Ruling That Ameritech Ohio's Dialing Parity Cost Recovery Mechanism Violates 47 C.F.R. § 51.215, CC Docket No. 96-98, NSD-L-00-06 (rel. Jan. 28, 2000).

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therein. As described in detail in the AT&T Petition, Ameritech's dialing parity cost recovery mechanism permits Ameritech to implement a "per minute of use" ("PMOU") charge that will apply only to intraLATA toll calls made by customers that choose an IXC or CLEC to carry their intraLATA toll calls. The PUCO exempted Ameritech from the PMOU charge, permitting the ILEC to exclude its own intraLATA switched access minutes of use from the mechanism. Thus, Ameritech's dialing parity tariff imposes all of Ameritech's incremental costs of implementing dialing parity on Ameritech's competitors via a charge that is not assessed on Ameritech's own intraLATA toll customers' usage. The PUCO concluded that Ameritech need not pay its share of the incremental costs of dialing parity implementation because it might, at some future date, incur its share of dialing parity costs in the form of lost toll revenues.

Ameritech's dialing parity cost recovery mechanism is a clear violation of the Commission's rules and decisions. In 1996, the Commission established national rules for the recovery of dialing parity costs.³ Recognizing that "dialing parity is crucial to the development of local exchange competition," the Commission set forth "competitively-neutral" pricing principles to ensure that dialing parity cost recovery mechanisms would not give one service provider an "appreciable, incremental cost advantage" over another service provider.⁴ Specifically, the Commission concluded that the incremental costs of dialing parity implementation "must be recovered from all providers of telephone exchange service and

³ Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Second Report and Order, and Memorandum Opinion and Order, 11 FCC Rcd 19392 at ¶¶ 92-95 (1996) ("Second Local Competition Order") (establishing 47 C.F.R. § 51.215)(subsequent history omitted). The Commission has exclusive authority over dialing parity implementation and cost recovery. AT&T Corp. v. Iowa Utilities Board, 199 S.Ct. 721, 733 (1999).

⁴ Second Local Competition Order ¶¶ 92-95; 47 C.F.R. § 51.215(a), (b).

telephone toll service in the area served by a LEC, including that LEC, using a competitively neutral allocator established by the state.”⁵

In approving Ameritech’s dialing parity tariff, the PUCO concluded that Ameritech’s PMOU allocator is competitively neutral because the potential future lost toll revenue constitutes, in effect, an incremental cost of dialing parity implementation eligible for recovery. This, of course, is nonsense. The Commission clearly indicated that the recoverable costs that may be considered incremental to dialing parity implementation are limited to the following three categories: (1) dialing parity-specific switched software; (2) any necessary hardware and signaling system upgrades; and (3) consumer education costs that are strictly necessary to implement dialing parity.⁶ As AT&T correctly indicated, the “Commission nowhere suggested that an incumbent LEC could somehow offset its responsibility to pay its share of dialing parity implementation costs by the lost toll revenues it might incur as a result of the increased intraLATA competition that Congress sought to foster by enacting § 251(b)(3).”⁷

Of course, Ameritech’s PMOU allocator is not competitively neutral because it explicitly excludes Ameritech’s intraLATA toll customers’ usage from this charge. The language of the Second Local Competition Order plainly dictates that cost recovery mechanisms that impose incremental costs on some carriers (but not others) are not competitively neutral, and therefore, are a clear violation of 47 C.F.R. § 47.215 (a) and (b).⁸ Further, as AT&T indicates, the Commission has already found that such mechanisms give an ILEC a *per se* unlawful cost advantage.⁹

⁵ Second Local Competition Order ¶ 95 (emphasis added); see also 47 C.F.R. § 51.215(a), (b).

⁶ Second Local Competition Order, ¶ 95.

⁷ AT&T Petition at 6.

⁸ Second Local Competition Order ¶¶ 92-95.

⁹ AT&T Petition at 11 (citing Second Local Competition Order ¶ 91; Telephone Number Portability, Fourth Opinion and Order on Reconsideration, ¶ 50 (rel. July 16, 1999)).

By exempting Ameritech's own traffic from its PMOU charge, the Ameritech tariff gives Ameritech an "appreciable cost advantage" over other carriers that seek to compete with it. Any cost recovery mechanism that gives Ameritech, or any ILEC, such a competitive advantage, violates the principle of competitive neutrality and further, is inconsistent with the intent of Congress when it enacted the Telecommunications Act in order to encourage the rapid development of competition in the local telecommunications market. Accordingly, for the reasons set forth herein, MediaOne respectfully requests that the Commission rule that the cost recovery mechanism set forth in Ameritech's dialing parity tariff is unlawful because it is contrary to the Commission's rules and decisions governing dialing parity cost recovery.

Respectfully submitted,

A handwritten signature in cursive script that reads "Susan Eid" followed by a small mark that appears to be "cmg".

MEDIAONE GROUP, INC.

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February 14, 2000

CERTIFICATE OF SERVICE

I, Cathy Quarles, hereby certify that on this 14th day of February, 2000, I caused copies of the foregoing "COMMENTS OF MEDIAONE GROUP, INC. IN SUPPORT OF PETITION FOR EXPEDITED DECLARATORY RULING" to be served by postage prepaid, or by hand delivery (*) on the following:

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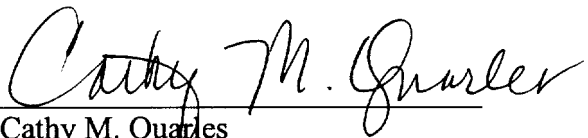
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